



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

20 JUN 17 PM '97  
**SENSITIVE**

June 20, 1997

**MEMORANDUM**

TO: The Commission

FROM: Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner *LL*  
Associate General Counsel

SUBJECT: Statement of Reasons -- MUR 4250

On June 17, 1997, the Commission dismissed certain allegations against the Republican National Committee, and its treasurer, in MUR 4250 due to a lack of four affirmative votes to proceed against the respondent. These allegations arose out of Complainant's accusation that an ostensibly separate 501(c)(4) organization -- the National Policy Forum -- was in fact created, financed and controlled by the RNC and was improperly used by the RNC to conduct allocable party-building activity outside of the party structure using solely "soft-dollars," in violation of the allocation regulations at 11 C.F.R. §§ 102.5(a)(1) and 106.5(g)(1), the Act's contribution limitations and prohibitions at 2 U.S.C. §§ 441a(f) and 441b(a), and the Act's reporting requirements at 2 U.S.C. § 434(a)(1).

The Commission failed by a vote of 3-1 to adopt the General Counsel's recommendations regarding these allegations. As a result of this dismissal, Statements of Reasons are required. The Statements of Reasons should be ready for issuance by July 17, 1997, which is 30 days after the Commission's vote necessitating the Statements.

Staff Assigned: Jose M. Rodriguez